



GARY R. HERBERT  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

February 23, 2016

Kyle Kimmerle  
Kimmerle Mining LLC  
2056 Simpatica Court  
Moab, Utah 84532

Subject: Review of Annual Progress Report and Permit Fee, Kimmerle Mining LLC, Neighbor 2 Mine, S/037/0119, San Juan County, Utah

Dear Mr. Kimmerle:

On February 1, 2016, the Division of Oil, Gas and Mining received the annual progress report with an attached letter for the Neighbor mine, file number S/037/0119. No annual permit fee was received. Until the site has been permanently reclaimed, the annual permit fee is required. Failure to pay the annual fee automatically results in a suspension of the permit, regardless of whether you choose to petition the Board of Oil, Gas and Mining for an extension of the current period of inactivity.

The letter that was attached to the annual report restated your opinions, as previously given to the Division by email, regarding the Division's requirement that the site be reclaimed and about the need to petition the Board of Oil, Gas and Mining for an extension of the current period of inactivity.

In your annual report you stated that core drilling occurred "about 8 years ago," but the only annual report showing any activity at the site is from "7/08 to 01/06" which says "a few test holes were drilled." This indicates any activity at the mine occurred more than ten years ago which would justify the Division's requirement to require reclamation.

Please provide professional geologist logs, dated core logs, or some other form of verifiable documentation to pinpoint when drilling or other mining activity occurred. Since exploration drilling is considered "mining operations," this documentation will assist in setting a starting point for the 10-year inactivity period.

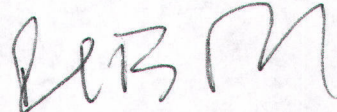


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Although the Division has required reclamation, the permit fee is due until the site has been reclaimed and the only remaining requirement is vegetation establishment. In the case of the Neighbor mine, the only required reclamation is to remove equipment, and the annual report for 2015 says the air track drill will be removed in the spring of 2016.

If you have questions or concerns about this letter, please contact Mike Bradley at 801-538-5332, or me at 801-538-5261. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'PBB' followed by a stylized 'M'.

Paul B. Baker  
Minerals Program Manager

PBB: mpb: eb

cc: Ted McDougall, BLM Monticello FO (tmcDougall@blm.gov)  
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